

**Testimony of
Steven R. Berg
Vice President for Programs and Policy
National Alliance to End Homelessness**

**Before the
House Veterans' Affairs Subcommittee on Economic Opportunity
Hearing on Pending Legislation
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Chairman Levin, Ranking Member Moore, and other distinguished members of the House Veterans Affairs Subcommittee on Economic Opportunity, I am Steve Berg, Vice President for Programs and Policy at the National Alliance to End Homelessness, hereinafter referred to as “the Alliance.”

The Alliance is a nonpartisan, nonprofit, mission-driven organization committed to preventing and ending homelessness in the United States. It was founded in 1983 by a group of national leaders from both parties, deeply disturbed that thousands of Americans had been left to live on our nation’s streets. In its early years the Alliance focused on meeting the emergency and service needs of this emerging population. Soon, however, as it became apparent that emergency measures would not solve the problem, we turned our attention to more permanent solutions. Today, the bipartisan Alliance Board of Directors and our thousands of non-profit, faith-based, private and public sector partners across the country devote ourselves to the affordable housing, access to services, and livable incomes that will end homelessness.

Thank you for inviting the Alliance to appear before this Subcommittee to discuss our views on pending legislation. The Alliance’s testimony will discuss two pieces of pending legislation: the bill to permanently authorize the use of certain funds to assist homeless Veterans and the bill to expand eligibility for enrollment in HUD-VASH, the supported housing program for Veterans. With the Subcommittee’s indulgence, the Alliance’s testimony will also discuss two other items not explicitly on the docket: the Supportive Services for Veterans Families’ (SSVF) promising launch of its Shallow Subsidies initiative, and the need for this Subcommittee to continue recognizing the value of Housing First, an approach to homeless assistance that has been essential to the success of HUD-VASH and SSVF and in the achievement of significant reductions in Veterans homelessness over the last dozen years.

I thank this Subcommittee for its bipartisan leadership in seeking to make more tools and more flexibilities available to the Department of Veterans Affairs (VA) and its grantees in the effort to eliminate Veterans’ homelessness and in working collaboratively with the VA’s talented and dedicated career staff. The key to success has been making a range of interventions available, to meet the varied and complex needs of homeless Veterans. Your innovative leadership is a crucial element in the effort to eliminate Veterans’ homelessness.

1. The Alliance endorses Representative Cherfilus-McCormick’s bill to permanently authorize the use of certain funds to assist homeless Veterans.

In bipartisan and bicameral fashion, Congress provided additional services to Veterans experiencing homelessness during the COVID pandemic through enactment of the Isakson-Roe Veterans Health Care

and Benefits Improvement Act, P.L. 116-315, and then quickly recognized the value of these additional services to homeless Veterans after the public health crisis.

The Alliance is a strong supporter of the Building Solutions for Veterans Experiencing Homelessness Act (S. 2172) as well as the several smaller House bills that would follow its approach, which would make permanent many of the authorities included in the Isakson-Roe measure. The Alliance strongly endorses the pending bill for this hearing that would expand the number of special COVID authorities in the Isakson-Roe measure that would be made permanent to also include Section 4201(a)(1)(A)-(D):

(A) Assistance required for safety and survival (such as food, shelter, clothing, blankets, and hygiene items).

(B) Transportation required to support stability and health (such as for appointments with service providers, conducting housing searches, and obtaining food and supplies).

(C) Communications equipment and services (such as tablets, smartphones, disposable phones, and related service plans) required to support stability and health (such as maintaining contact with service providers, prospective landlords, and family).

(D) Such other assistance as the Secretary determines is needed.

The Alliance was pleased to see that the Department of Veterans Affairs disbursed in December \$20 million “to meet the immediate needs of Veterans who lack stable housing, transportation to medical appointments, food and other essentials—all while helping them to achieve long-term housing and financial stability,” in the words of VA Secretary McDonough. And VA is to be commended for efforts to ensure “funding is made available to historically underserved Veterans, including women, racial and ethnic minority Veterans and those in rural areas and on tribal lands.”

In fact, reports VA, medical centers across the country helped more than 18,000 Veterans from May 2021 through January 2022, thanks to the Isakson-Roe’s Section 4201(a)(1)(A)-(D) authorities. VAMCs have spent nearly \$1 million to purchase groceries, meals, apartment start-up kits, furniture, merchandise vouchers and laundry vouchers for Veterans experiencing homelessness. In addition, these funds have allowed for the creation of a nationally coordinated rideshare program which offers support to Veterans who need transportation to meet health, housing, legal and employment needs. As of January 2022, according to VA, “this service has provided more than 38,000 rides to over 9,300 Veterans at a value of nearly \$1.7 million.”

COVID allowed us to see the value of these authorities to homeless Veterans in a public health crisis, but now we understand how valuable they are to homeless Veterans as we transition back to normality. However admirable, philanthropy and charity cannot be regularly expected to consistently meet the critical needs of Veterans transitioning out of homelessness. The utility of these authorities to VA in helping Veterans experiencing homelessness during COVID has been a good test case for showing why they should be retained after the public health crisis so that they can continue to help Veterans meet their basic needs when they are at their most vulnerable. And if the A-D authorities can uplift and transform lives during a public health crisis, they can continue to uplift and transform lives after COVID is a bad memory.

The Alliance understands that the authority to carry out the A-D authorities expires at the end of the public health emergency, not at the end of the fiscal year, but that’s true of all the Isakson-Roe authorities. The A-D authorities’ temporary status makes them less of a priority. If we want these

authorities to be widely used to help homeless Veterans, we need to make them permanent. The Isakson-Roe authorities, as valuable as they are, represent a significant operational change for VAMCs, and it takes time to work through the logistical obstacles. VA did not initially earmark funding for carrying out the authorities, so many sites couldn't make the necessary purchases, even if they wanted to use the authorities. Fortunately, VA has changed that in FY22, identifying earmarked American Rescue Plan Act (ARPA) funds to support the authorities.

2. The Alliance seeks changes to the language of legislation changing eligibility for enrollment in HUD-VASH.

The Subcommittee has listed for this hearing draft legislation that would replace the current requirement that a Veteran be homeless and have "chronic mental illnesses or chronic substance use disorders" (SUD) (the requirement of mental illness or SUD waived by recent appropriations legislation) to be enrolled in the HUD-VASH program. Instead, Veterans "who are homeless, formerly homeless, or at risk of homelessness" would be eligible for enrollment in HUD-VASH. The new definition would continue to ensure that Veterans identified as potentially benefitting from assistance in addition to rent, in this case referred to as "case management," must agree before being provided with such services, which VA must provide in such circumstances.

The Alliance recognized the need for changes to the HUD-VASH program, as it has expanded. We believe the current draft should be changed to ensure that positive attributes of the program do not inadvertently disappear.

The HUD-VASH program, since being revived and funded beginning with the FY 2008 appropriations legislation, has been one of the most important tools driving the reduction in homelessness among veterans. It provides deep rent subsidies so that participants can afford housing no matter how low their incomes; along with intensive case management to ensure that participants can access the full range of healthcare, employment and other services available through VA and other means.

This intervention model, known generically as permanent supportive housing, has been demonstrated in numerous studies to achieve excellent results, ending homelessness for people who most would be ready to give up on, reducing bad outcomes including incarceration and death, and saving money for a range of systems, particularly healthcare.

Congress's continued support for HUD-VASH was demonstrated in the recent bipartisan FY 2022 Appropriations legislation, which included an additional \$50 million for new HUD-VASH rental vouchers, enough to house between 6,000 and 7,000 Veterans, as well as funding to renew the HUD-VASH vouchers that already exist, and case management at VA for the program.

The permanent supportive housing model, and HUD-VASH in particular, has the greatest positive impact when used for people with the most severe problems. Relative to other homelessness interventions like rapid re-housing, it is an expensive model; but by stabilizing the housing and lives of people with severe physical and behavioral health issues who have been homeless for years, it vastly improves their lives, while saving money for the government, through reductions in spending on jails, shelters, emergency rooms, hospitalizations, and commitments to mental health facilities. Particularly for Veterans, due to more realistic funding for VA homelessness programs than for those for the general population through HUD, there are other effective alternatives for homeless people with less severe disabilities. But for Veterans with those severe disabilities, nothing works like HUD-VASH.

The concept of “chronic homelessness” has been developed largely to articulate which people are the appropriate participants in permanent supportive housing, and VA has largely targeted HUD-VASH to these veterans: those with severe disabilities, who have been homeless in shelters or unsheltered situations for at least a year. This targeting has been a large part of the cause for reductions in Veterans’ homelessness. It is generally the case that when there is insufficient funding to help everyone who needs help securing housing, reductions in homelessness are maximized by providing scarce housing resources to those who are already homeless and have been homeless for the longest time, since they are least likely to escape homelessness without help.

The progress on Veterans’ homelessness since 2008 has meant that some communities have essentially ended chronic homelessness among Veterans, giving rise to the question of whether providing HUD-VASH for other veterans would be appropriate. The Alliance’s views on this are as follows:

- In communities where there are Veterans experiencing chronic homelessness, HUD-VASH should be used to house and stabilize those Veterans. The Alliance congratulates Congress for putting funding on the table over the past 15 years to create this programs and reduce chronic homelessness among veterans, and notes that there is still work to do.
- In communities where no Veteran experiences chronic homelessness, HUD-VASH should be used to address a next level of severity and danger. This should include Veterans who are homeless and have severe health needs due to age and/or disability but have not yet been homeless for one year; Veterans who have been homeless for many years but never diagnosed with a disability; Veterans who were chronically homeless and were housed through a temporary subsidy program, whose subsidy is lapsing, and who are evaluated to be unable to remain housed without a subsidy.
- In communities where all Veterans in the first two categories have been housed, HUD-VASH can be used for Veterans who are not homeless but who have extremely low incomes, severe healthcare needs and difficulty accessing services, and are evaluated as being in danger of becoming homeless without the deep rent subsidies and intensive case management provided by HUD-VASH. It is our experience that most people “at risk of homelessness” do not actually become homeless, so as long as housing is not available to everyone who is already experiencing the daily trauma of homelessness, prevention efforts need to wait. Not, hopefully, for much longer.

The Alliance deeply appreciates the work of the Committee and its members, and of VA staff, to think through the issues raised by the success of HUD-VASH so far, and create legislation that will prepare for additional success in the future. We at the Alliance will be happy to work with everyone here to create a HUD-VASH eligibility bill that will meet these ends.

3. The Alliance urges the House Veterans Affairs Committee to support adequate resources for the VA’s promising Shallow Subsidy initiative.

The affordable housing crisis has challenged VA to innovate to prevent more low-income Veteran households from becoming homeless. The Department’s Shared Subsidy initiative extends rental support payments for longer periods of time than the SSVF’s Rapid Rehousing (RR) and Homelessness

Prevention (HP) programs. Again, instead of expecting Veterans to accommodate VA's programs, VA is striving to design its programs around the needs of Veterans.

Initially, back in 2019, Shallow Subsidy was available only in 13 high-cost, low-vacancy cities. Commendably, VA expanded its Shallow Subsidy initiative to include an additional 237 grantees in all parts of the nation—because high rents are a problem for all Veterans with the lowest incomes, not just those living in big cities. To support the FY22 national expansion of Shallow Subsidy, \$350 million in supplemental funding, which includes \$200 million in ARPA funding, was awarded to all SSVF grantees.

According to VA, through January 2022, 1,032 Veterans have been placed in permanent housing with the support of Shallow Subsidy. According to VA, most of these placements have only recently begun: Shallow Subsidy funding was only released in November 2021 and grantees have just begun ramping up services. The national average for renting a one-bedroom apartment is \$1,621 per month or \$19,452 annually. Shallow Subsidy would pay \$9,726 of that annual total. If 15,000 Veterans received the Shallow Subsidy the annual cost for the rent subsidy would be \$145,890,000, which is one-half of the cost of the program. The costs of the other one-half of Shallow Subsidy are services (40 percent) and administration (10 percent), which add up to a potential base year cost of \$291,780,000.

During the period in which they are enrolled in Shallow Subsidy, Veteran households are encouraged to maximize their income and build up savings to smoothly transition off the rental assistance and into independence. Veteran households with members who can work are connected with employment programs, including the Department of Labor's Homeless Veterans Reintegration Program, Social Security's Ticket to Work Program, as well as state, local, and philanthropic employment programs. To incentivize the generation of extra income, whether through employment or benefits, the amount of the rental subsidy does not change for the duration of the household's enrollment in Shallow Subsidy, even if income increases.

Towards the end of the two years, case workers will work with Veteran households to determine whether their income would allow them to maintain permanent housing after leaving the program. Veteran households that appear unlikely to be able to cover the full rent, including many aging Veterans, can be assisted by case workers to access permanent rent subsidies through local housing authorities or otherwise. And some Veteran households, particularly those who do not need high levels of service, may receive another two-year term of Shallow Subsidy.

Veteran households remain responsible for a share of the rent throughout their participation in the program. In the event of a short-term inability to pay rent, grantees try to use local rental assistance programs to fill in the gap. If the inability lasts longer, Shallow Subsidy enrollees can be shifted to SSVF until the Veteran household is able to restore its income and pay its share of the rent.

The Alliance had the opportunity to check in before today's hearing with five Shallow Subsidy grantees--in Washington, DC; California, and Hawaii. Grantees agree that some Veteran households needed more time with rent subsidies than the three months typically provided by SSVF, to recover from homelessness and implement the strategy necessary to remain permanently housed. Three months is often just enough time to settle on a strategy for achieving housing stability, but not to carry out that strategy. Ultimately, if our objective is to help more homeless Veteran households become stably housed, then we need to give some of those Veteran households more time and longer assistance.

The grantees had some remarkable insights and observations on Shallow Subsidies the Alliance would like to pass on to the Subcommittee:

- a. *The extra time afforded by Shallow Subsidies is key:* Homelessness can be overwhelming and disorienting. It takes a toll on physical and mental health. It has profound legal consequences. It can disrupt if not end employment and school arrangements. It can leave Veterans estranged from families and friends. Sometimes, SSVF doesn't allow enough time to regain bearings, let alone navigate benefits bureaucracies and job markets, as well as find a place to live. Sometimes, a longer option like Shallow Subsidy is needed to develop a strategy to maximize income and identify suitable rentals that will promote prospects for permanent housing.
- b. *Shallow Subsidies allows VA to use its resources more efficiently and more flexibly:* "In the past, we could not offer a certain type of Veteran the service they actually needed. They lived in a high-cost area and needed more income support, but they didn't need HUD-VASH, they didn't need forever care. But they needed more than SSVF to avoid recidivism." Consistent with the principles of progressive engagement, VA grantees try to err on the side of independence, i.e., steering Veterans who need more than SSVF towards Shallow Subsidy, rather than HUD-VASH. This reduces the cost of VA homelessness programs generally and promotes the independence of Veteran households.
- c. *Shallow Subsidies provides needed flexibility as an option in addition to SSVF:* By the time most Veteran households enter Shallow Subsidy, they are accustomed to working with case managers and have likely already developed at least a rough strategy for achieving permanent housing; and because of the steady and reliable payment of rent for two years, landlords are eager to participate in the program. Therefore, the program has less need of case workers and housing navigators than SSVF and HUD-VASH.
- d. *There's no better homelessness program for preparing Veteran households for independence:* The requirement that Veteran households must contribute towards their rent while enrolled in Shallow Subsidy "gives them skin in the game and makes them feel more invested in the program"; and having to pay one-half of the rent every month for two years is good preparation for independence.
- e. *Shallow Subsidy helps Veteran households find accommodations where they want to live—within reason.* The program requires enrolled Veteran households to identify neighborhoods that are suitable while they are paying one-half of their rent and afterwards when they will be paying all their rent. It's often therapeutic for Veterans who have experienced homelessness to live in familiar surroundings, where they know the people, perhaps including their family and friends, rather than start over somewhere new. In many cases, these Veterans have contributed to the area's economy, working and perhaps even owning property. It's not their fault that rents in their hometowns are rising faster than incomes. Most Veterans in Shallow Subsidy do not own cars, so they are more likely to choose areas to live which feature comprehensive public transportation, which often means renting in higher-cost areas.

Shallow Subsidy grantees identified one potential upgrade. Some Veteran households enrolled in Shallow Subsidy experienced setbacks, often work-related, which made it difficult to pay rent for one or two months without burning through the savings they had been accumulating, consistent with their plans. Rather than use those savings, which are critical to success after successful graduations from

Shallow Subsidy, grantees suggested that it be possible to increase to a higher level of VA rental assistance for those one or two months, either 75% or 100%. Often, Veteran households in such predicaments are shifted to SSVF, which picks up 100% of the rent until it is possible to resume participation in Shallow Subsidy. However, working with new case managers can be disruptive.

The Alliance encourages VA and Congress to monitor whether admissions and exits are promoting racial equity. All grantees are resolute that Shallow Subsidies should not perpetuate the racial inequities in housing and homelessness programs that have left certain groups disproportionately and unfairly disadvantaged. One grantee said admissions are not an issue because they admit everyone who is eligible, another grantee said they trust their case managers to make the right decisions, while still another grantee has developed an elaborate system of criteria to promote fair admissions. All five grantees believe that their admissions are consistent with the demography of the Point in Time count of Veterans experiencing homelessness in their areas but that it is probably too early to determine whether they are also producing outcomes that promote racial equities. We are following this with great interest, and we appreciate how important the promotion of racial equities in homelessness relief is to VA and its grantees.

One of the Shallow Subsidy grantees shared this story, with the permission of the Veteran involved, that illustrates the importance of this program:

Ana served in the Navy for 10 years and was honorably discharged. She was stably employed in the healthcare industry, but left her job when her mother became critically ill in order to care for her full time. After her mother passed away, the home they shared was sold by a relative and Ana became homeless.

She lived in her car with her dog, Harley, for 2 months before connecting with us for help. She gained permanent housing and an increase in income while accessing RRH, and then transitioned to receiving Shallow Subsidies. This afforded her the opportunity to gain a new housing unit, secured through a public-private partnership between our agency and a local property development/management company. In addition, she is now able to pursue further increases to income through the development of her own business (making and selling dog biscuits). Her next goal is to own a home and she is currently pursuing the VA home loan program.

From Ana: ""I've been saying to my friends... I went through hell to get to heaven. I'm in heaven. I really am."

Another of the grantees with whom we consulted summed up Shallow Subsidy well: "We won't end Veteran homelessness without Shallow Subsidy." The Alliance urges Congress to keep those wise words in mind when making any decisions about this initiative. The initiative fills an otherwise problematic gap in the range of help available to veterans who are working hard to escape homelessness.

4. The Alliance strongly supports the continued use of Housing First approaches in VA's justly celebrated HUD-VASH and SSVF programs.

Housing First is a way of approaching homelessness that gives people the security of a home, then provides a rich array of services to allow them to remain stably housed and address issues that led to their homelessness in the first place. It was adopted as the primary approach backed by the federal

government during the George W. Bush Administration, replacing older, less effective models that tried to resolve people's other problems while they remained homeless.

It can be difficult for people to benefit from services while living in a shelter or temporary program, let alone in a car, a tent, or on the streets. These living situations can be stressful and traumatic. Residents are uprooted and feel anxious about what their permanent housing situation will be. They are often not in a position to, for example, find a job or decide what services they need. Housing First programs are based on the extensive record showing that people are better able to benefit from services, become employed, and achieve stability if they are receiving services from the safety and security of a home, provided without preconditions beyond those normally applied to a tenant. Housing First provides homes and provides those services. It works.

It takes time, of course, to arrange housing, and in many communities sufficient housing is not available. Housing First systems, therefore, generally make services available to people while they are in shelter or other temporary accommodation and waiting for housing, or even while they are unsheltered. Also, while the substantial majority of homeless Veterans prefer a Housing First approach, there are some who are not ready to take on the responsibilities of that model. The decision should be up to them.

The foundation of VA's approach to solving homelessness, and its HUD-VASH and SSVF programs, is Housing First. The Alliance applauds this adherence to evidence and commitment to positive results. It is a source of great concern to the Alliance that some lawmakers seek to limit the Department of Housing and Urban Development's (HUD) authority to promote Housing First for homelessness programs for non-Veterans. We appreciate this opportunity to remind the Subcommittee of the importance of Housing First.

Among VA homelessness programs, SSVF provides rapid re-housing program for people who need short-term rental assistance and light-touch case management. The Shallow Subsidy initiative allows rental assistance to be provided for a longer period of time if needed. HUD-VASH provides permanent supportive housing for people with severe needs for both rental subsidies and strong case management. GPD provides temporary housing group living with intensive services for Veterans who prefer that approach, while maintaining a commitment to secure permanent independent housing as quickly as possible. This range of housing programs, combined with the rich array of services provided by VA, states, and localities, makes the Housing First system that addresses homelessness among veterans an example for others, and a model for what we seek to achieve for all Americans. We are happy for this Subcommittee's bipartisan support.

Thanks for allowing the Alliance to present its views at today's hearing. I look forward to any questions.